BANKS- 1940

D.C.

Says Industrial Savings Bank Took $175,000 Loss Taking Over Prudential

With allegations that the Industrial Savings Bank, now in receivership, suffered a $175,000 deficit as a result of taking over the assets and liabilities of the Prudential Bank in 1932, Frederick J. Young, receiver of the first-named institution filed suit last week against several former directors of the Prudential for specified amounts as agreed under a directors' personal bond drawn at the time of the transfer.

(The bank in receivership is not to be confused with the Industrial Bank of Washington, which was organized in August 1934, and is now doing active business.)

Those sued and the amounts for which judgment, interest, and costs of court are asked include:

George A. Robinson, 1131 Girard Street, Northwest, barbershop chain proprietor, $3,500; Talley Holmes, 1345 T Street, Northwest, teacher in Armstrong High School, $3,500; James A. Cobb, former District municipal court judge, $3,500; William L. Board, druggist, 1912½ Fourteenth Street, Northwest, $3,500; Dr. Garnet C. Wilkinson, first assistant superintendent of schools, $3,500; Allen F. Jackson, painter, 1438 Morris Road, Southeast, $3,500, and Addison N. Scurlock, photographer, 1202 T Street, Northwest, $1,000, estate of the late Dr. John R. Hawkins, $16,100 and Dr. James C. Dowling, physician, $3,500.

In the case of Dr. Hawkins president of the Prudential, the executors of his estate are sued They are: Mrs. Esther Hawkins Wilson, Watertown, Mass., and Dr. Reuben N. West, 1949 Vermont Avenue, Northwest.

Other Agreement Signers

Other persons who signed the directors' bond, according to Exhibit A in each of the complaints:

Edward Baker, former cashier of the Prudential, $3,500, the late Charles E. Mitchell, one-time minister to Liberia, $3,500; Joseph H. Greene,, former official of the Prudential, $500; L. Melendez King, attorney, $700, and W. H. Thompson, post office worker, $200.

In 1932, according to each of the several complaints filed, the Prudential entered an agreement with the Industrial Savings Bank whereby the assets of the former would be transferred to the Industrial, which would also assume all disclosed book liabilities. The assets of the Prudential were set forth as $376,161.15, and the liabilities disclosed were $270,731.23.

Note Presented

The Prudential Bank, in consideration of the transfer, delivered a note for $270,731.23 to the Industrial and pledged all assets as collateral security for the payment of the note.

As additional security to the Industrial in case of assets pledged were not sufficient to liquidate the note, the directors of the Prudential executed a personal bond for a total of $50,000.

The condition of the bond was such that if the assets of the Prudential transferred to the Industrial should not be sufficient to pay the note, then by reason of the bond each director of the Prudential agreed to pay to the Industrial a definite sum.

The receivers says that it has been discovered that the assets transferred by the Prudential were inadequate to liquidate the $270,731.23, and there exists a $175,000 deficiency upon liquidation of the collateral.

Fitzgerald, Ga., Herald
May 24, 1940

There are 12 negro owned and negro managed banks and trust companies in this country with a combined capital of $1,000,000 and assets of $10,000,000 besides 18 savings, loan and real estate banks.

Douglass Bank Now Paying 3rd, Final Dividend

Depositors of the Douglass National Bank will receive their third and final dividend check by mailing in properly signed receipts together with their Receiver's Certificates, or bringing them to the office of Harry Joseph, Receiver, Room 1202, 100 W. Monroe street. This makes a total of 46.26 per cent of dividends paid by Douglass National Bank.

Receiver certificates were delivered to all creditors at the time they received their first dividend check, Receiver Joseph stated this week. They must be presented in order to get the final dividend, which is now being paid, he added. Checks will be in the Receiver's office only until April 25, 1940.

Douglass National Bank has led all others in the total amount of dividends paid to creditors. Binga State bank has paid 27.5 per cent; Lincoln State bank, 4 per cent; Citizens Trust and Savings bank, 31.7 per cent; Industrial State bank, .7 of 1 percent and Douglass bank, .1 of 1 per cent and Douglass National bank, 46.26 per cent.

Major Wright Named President Of Bankers

RICHMOND, Va.—(ANP)—Urging an educational program on the part of banks and schools whereby the public may be enlightened as to the aid and services rendered by banking institutions, the National Negro Bankers' association met here Wednesday with the Consolidated Bank and Trust Company as host.

Among the subjects discussed were: "F. H. A. Loans Profitably Made,' by a representative of the Federal Housing Administration; "How Small Accounts Can be Encouraged and Carried Without Loss to the Bank', a round table topic led by R. L. McDougal, and Leroy F. Ridley, bank executives; "Making the Most of Installment Loans in Our Banks"; and "Helping to Keep Our Banks Out of the Red", led by Jesse B. Blayton, vice president, Citizens Trust Company, Atlanta, Ga.

Warning that caution must be exercised in banking activities because of the present world situation, the Virginia Banking Commissioner further declared that the Consolidated Bank and Trust Company, Crown Savings Bank and the Danville Savings Bank and Trust Company were among the best managed in the state.

Officers elected were: Major R. R. Wright, Sr., president; Jesse H. Mitchell, 1st vice president; E. C Burke, 2nd vice president; M. C Martin, secretary: and C. C Spaulding, treasurer.

National Negro Bankers' Association To Meet

Notice reached Nashville this past week to the effect that the National Negro Bankers' Association would hold their annual convention in Richmond, Va., on July 19. The president of the organization is Major R. R. Wright of Philadelphia who heads the Citizens Southern Bank. The vice president is Henry Allen Boyd, this city, representing the Citizens Savings Bank and Trust Company. The secretary of the Association is M. C. Martin, representing the Danville Savings Bank and Trust Company of Danville, Va. The treasurer is C. C. Spaulding, president of the Mechanics and Farmers Bank of Durham, N. C. In the meeting going to Richmond it is understood that the Consolidated Bank and Trust Company, located in that city, will be hosts to the Negro bankers of the nation and that invitations have been extended to all of them, as well as invitations to members or representatives from the Federal Reserve Banks and the Federal Deposit Insurance Corporation of the United States government for set addresses and speeches. Mr. Spaulding and Major Wright have just written Mr. Boyd of this city urging him to be present at this very important meeting.

Virginia With 3 Negro Banks Leads Country

Bankers Meet In Richmond; 3 Firms In Million Class

RICHMOND, Va. — Virginia has the distinction of being the only state in the Union with more than one Negro bank in operation, reports at the one day session of the National Negro Bankers' Association held in Richmond last Tuesday, July 10, showed.

Twenty-five representatives of Negro banks in the country met here at the Southern Aid Building with Major R .R. Wright, nationally known banker of Philadelphia and president of the association, presiding.

Three of the country's 12 Negro banking institutions which are in the state of Virginia, are the Consolidated Bank and Trust Company, Richmond; Danville Savings Bank and Trust Company; Danville; and Crown's Savings Bank, Newport News.

Three of the member banks have assets over a million dollars. they are: Consolidated Bank and Trust Co., Richmond; Mechanics and Farmers' Bank, Durham, N. C., and Industrial Bank, Washington, D. C.

The morning session of the association meeting was devoted to reports of the organization. Secretary M. C. Martin, cashier, Danville Savings Bank and Trust Company, gave the report of his office. J. H. Wheeler of Durham gave the report of the treasurer in the absence of C. C. Spaulding, president of Mechanics and Farmers Bank, Durham, and treasurer of the organization.

FHA LOANS

A highlight of the morning session was a discussion of the subject: "FHA Loans Profitably Made," by C. C. Boxdale, regiona representative of the Federal Housing Administration. This was followed by a round table discussion on "How small Accounts can be encouraged and carried without loss to the Bank." The round table discussion was led by R. L. McDougald, vice president, Mechanics and Farmers Bank, Durham, N. C., and Leroy F. Nidley, cashier, Crown Savings Bank of Newport News.

Milton R. Morgan, of the State Commission of Banking, opened the afternoon session. Mr. Morgan stated that the Negro banks in Virginia were among the best managed in the state."

The annual address of the president, Major Wright, was followed by two round table discussions. "Making the most of instalment loans in our Banks" was led by W. S. Banks, secretary-treasurer, Consolidated Bank And Trust Co., and Jesse H. Mitchell, president, Industrial Bank of Washington. Jesse B. Blayton, vice president, Citizens Trust Co., of Atlanta, Ga., led the discussion on "Helping to keep our Banks out of the Red."

INVESTMENTS

Others appearing on the program were: Thomas W. Oslin, state corporation commission; and Harvey Wilkerson, vice president of the State Planters Bank and Trust Co., who spoke on "Investments."

Tuesday's meeting was the first to be held in the state since the 1930 meeting of the Association at Buckroe Beach. Next year, the bankers will meet in Washington, D. C.

Major Wright was reelected to the presidency, as was Secretary M. C. Martin, and Vice President Jesse H. Mitchell. Emmett Burke, president of the Consolidated Bank, was also named to the vice presidency.

A banquet at Slaughter's Hotel closed the meeting.

N. C. ASSOCIATION JOINS FEDERAL HOME LOAN BANK

Durham's Mutual Building and Loan Group Notified of Acceptance—Met All Requirements.

DURHAM, N. C., June 6—The Mutual Building and Loan Association has been notified that it has been accepted as a member of the Federal Home Loan Bank of Winston-Salem.

The Association was organized, January 25, 1921, in the North Carolina Mutual Annex on West Parrish street, and has enjoyed continuous growth in assets, having started with $400.00, and increased to approximately $300,000.00 at this time. It is rendering a great service to the community through efficient management by promoting home ownership, and providing a safe place for persons to save systematically.

Mr. LaRoque, president of the Federal Home Loan Bank of Winston-Salem stated in his letter to R. L. McDougald, secretary-treasurer, in part "We feel that your association has just cause for pride in having successfully met the requirements for membership in the Federal Home Loan Bank System. This is particularly true in view of the high policies consistent with sound and economical home-financing. The liberal use of your credit will be of material assistance to you in providing home-financing facilities for your community on a basis that will mean progress for your organization and a happier and more contented citizenship."

The Association paid $12,000.00 in matured shares to members during the month of May.

Officers of the Association are: F. L. McCoy, chairman of the board; C. C. Spaulding, president; Clyde Donnell, vice-president; A. Elder, vice-president; E. R. Merrick, vice-president; R. L. McDougald, secretary-treasurer; J. S. Stewart, assistant secretary-treasurer; Mrs. R. B. Davis, assistant secretary.

Race Bankers Take Part In Carolina Conference

By SAM HOOD

CHAPEL HILL, N. C.—A new milestone in the progress of interracial cooperation in the Old North State was passed last week when four executives of the Mechanics and Farmers Bank of Durham and two other Negro business men of Durham participated in the fourth annual North Carolina Bankers' Conference held at the University of North Carolina on July 8 and 12.

The conference, sponsored jointly by the North Carolina Bankers Association, the University of North Carolina and the State Banking Department, attracted 215 bankers, 23 of whom came from South Carolina, Virginia, and Pennsylvania.

The Mechanics and Farmers Bank, the largest Negro banking institution in the world, was represented at the conference by C. C. Spaulding, president; E. R. Merrick, vice president; R. L. McDougald, executive vice president, and J. H. Wheeler, cashier.

J. J. Henderson of the investment department, North Carolina Mutual Life Insurance Company, and J. S. Stewart, assistant secretary, Mutual Building and Loan Association, both of Durham, also attended.

The conference lasted four days and a half, with five class periods for four days and three class periods on Friday. Hon. Edward A. Wayne, chief examiner, Board of Bank Control, state of South Carolina, Columbia, made an address on Monday evening. Dr. Harold G. Moulton, president of Brookings Institution, Washington, D. C., spoke on Tuesday evening.

FACULTY

Merle Thorpe, editor of Nation's Business, Washington, D. C. spoke Wednesday evening, and Dr. Paul F. Cadman, economist of the American Bankers Association, made the closing formal address Thursday evening.

The faculty consisted of Alexander Wall, secretary, Robert Morris Associates, Philadelphia; A. G. Brown, head of the department of agricultural credits of the American Bankers Association, New York; Ernest M. Fisher, director of research in mortgage and real estate finance of the America Bankers Association; Lewis F. Gordon, president of the American Bankers Association, was present on Thursday night and made a short informal address.

William H. Neal, Winston-Salem, chairman of the conference committee of the North Carolina Bankers Association; Dr. John B. Woosley of the University of North Carolina, and Gurney P. Hood, Raleigh, commissioner of banks, were in direct charge of the activities of the conference.

assistant vice president, Citizens and Southern National Bank, Atlanta, Ga.; Walter B. French, manager, consumer credit department, American Bankers Association, New York; Dr. Laurence L. Lunden, University of Minnesota, Minneapolis; E. Sherman Adams, Central Hanover Bank and Trust Company, New York; James E. Baum, protective department, of American Bankers Association, New York; William Powers, director of customer relations, American Bankers Association, New York; John J. Driscoll, Jr., of Driscoll, Millet and Company, bank specialists, Philadelphia; and William A. Irwin, economist, American Bankers Association, New York.

Robert M. Hanes, Winston-Salem

Saving Up For Proverbial "Rainy Day"

Tribune 3-7-40 Philadelphia Pa.

Members of the Young People's Business Association of West Philadelphia open bank account at Citizens & Southern Bank and Trust Company, 19th and South streets. Rev. W. C. Williamson, pastor of White Rock Baptist Church 52nd and Arch streets (in background), is sponsor of the group. Major R. R. Wright, Sr., president of the bank, is standing at the extreme right. Members of the association (seen in the picture) are: Frank L. Johnson, president Miss Alethia Mikell, treasurer; Miss Lauretta Woodward, financial secretary; Miss Mildred Parham, chairman social committee; Miss Williemae Baker; Leonard Clark. (Not in picture) Miss Olivia Worsley, recording secretary; Miss Redelmer Knight, vice president; Mr. Sidney Knight, Miss Katherine Parham.

You can rent a Burglar and Fire-proof Safe Deposit Box at the Citizens Savings Bank and Trust Company for as little as $3.00 a year. You should rent one of these boxes at once. Your Deeds and Abstracts to your property, your Insurance Policies and your Will are sacred; they should be protected. Do not keep them at home in the trunk. Place them in these boxes where only you will have the key. They will be protected against burglars, and you will not therefore run the risk of misplacing or losing them.

If you should lose your Abstract it would perhaps cost you $40.00 or $50.00 to get a new one. If your deed should be lost it would cost you equally as much to reproduce it. If your Life Insurance Policies are misplaced or lost you would be embarrassed.

Call at the Citizens Savings Bank and Trust Company and let us show you this extended service that we are offering to the citizens of Nashville. Do not put it off. This should be done at once.

CITIZENS SAVINGS BANK & TRUST CO.

Nashville, Tennessee

Fourth Avenue and Cedar Street

ARTHUR G. PRICE CHOSEN CASHIER OF CITIZENS BANK

Directors Also Name Miss Lucile Jordan As Assistant Cashier On July 9th

Directors of the Citizens Savings Bank and Trust Company in their regular Monthly meeting held in the directors' room of the bank on Tuesday evening, July 9th elected Mr. A. G. Price as cashier, filling out the un-expired term of the late J. C. Napier. They also elevated Miss Lucile Jordan to the position of asscistant cashier, receiving and paying teller, thus recognizing in the two individuals their years of service, seniority and efficiency. The action of the directors was not a surprise to the many patrons of the institution, due to the fact that Mr. Price had been acting cashier for a long, long time, even before the late Mr. Napier passed, because the former cashier's health had been impaired for some three or more years, so that he was not very active, although he reported to the bank daily until permanent confinement; so the duties have developed upon the shoulders of Mr. Price, who now becomes cashier in fact as well as name.

The promotion of Miss Lucile Jordan to the position of assistant cashier pays high tribute and recognition to the feminine sex of this city. She has been connected with the bank for the past seventeen or eighteen years, beginning there as a filing and utility clerk, working her way up steadily, applying herself judiciously to her task. It sets a new record in Tennessee. Although there were formerly about 30 Negro banks in the city not one of them during their existence had a woman as assistent cashier; but the Citizens Savings Bank, in addition to giving recognition along this line has had on its board at one time as many as three women as directors. They still boast of having two on the board.

The directors voted no change in the bank's policy, but rather outlined an increased program of efficiency in rendering service along banking lines to its growing list of patrons and customers.

CONSOLIDATED BANK AND TRUST COMPANY 'DREAM' INSTITUTION

Richmond Financial House Was Chartered In 1903 As St. Luke's Penny-Saving Bank—Maggie L. Walker, First President.

By TED POSTON
(Staff Correspondent)

RICHMOND, Va., March 21—Surpassing the greatest dream of the late Maggie L. Walker, its first president and organizer, the Consolidated Bank and Trust Company this week pointed toward its second million dollars in total resources with a record unequalled by any Negro-owned, staffed and directed financial institution in America.

Chartered in 1903 as the St. Luke's Penny Saving Bank, with a modest capitalization of only $10,000, Richmond's only Negro bank entered 1940 with total assets of $1,017,428.70 and with an increased capitalization of $80,000.

WHITE AND COLORED DEPOSITORS AT BANK

"Our 7,000 depositors include white as well as Negro citizens." Emmett C. Burke, the 65-year-old president of Consolidated, revealed this week.

"And our more than $100,000 in FHA titles to loans are placed on the homes of white as well as colored property owners."

Mr. Burke has been with the bank since its inception. Starting out in 1903 as the 28-year-old cashier, he succeeded Mrs. Walker as president in 1930 when she retired from the active direction on account of her health and became chairman of the board.

As cashier, Mr. Burke witnessed the 1923 increase of capitalization to $50,000 when the charter was amended so that the institution became the St. Luke's Bank and Trust Company. Seven years later, the capitalization was increased another $25,000 when St. Luke's took over the Second Street Saving Bank which had been established in 1920.

TOOK OVER BANK TO PREVENT IT'S COLLAPSE

In 1931, the first year of Mr Burke's presidency, the new Consolidated Bank and Trust Company, rendered the Negroes of Richmond a signal service when it took over the Commercial Bank and Trust Company, also established in 1920, to prevent its collapse and resultant loss to depositors. The Commercial had been originally capitalized for $100,000. Bad investments had reduced this to $50,000, and the Consolidated was only able to credit an increase of $5,000 capitalization when the last merger was effected.

The Consolidated however has never faced a crisis in its 37 years of existence. In fact, it came out of the greatest national crisis in the country's history with flying colors.

When President Roosevelt closed all the country's banks after his induction in 1933 for examination of their resources, Consolidated was the first of Richmond's nine banks and the first Negro institution to reopen on March 13.

Its present building on the southeast corner of First and Marshal streets here was erected in 191(with Negro mechanics and elec tricians. The institution has mor(than $129,000 invested in govern ment bonds.

Officers of the bank include: J Thomas Hewin, chairman of the board; Leon A. Reid, vice-chairman; Mr. Burke, president; James T. Carter, vice-president; E. F. Johnson and S. W. Robinson, vice-presidents; W. S. Banks, secretary-treasurer and S. J. Saunders, assistant secretary-treasurer. The all-Negro staff includes nine full-time employes.